

Former Art. 81, § 9(k), which provided for an exemption from State taxation for "operating property of railroad, express, or transportation companies, parlor car, and sleeping car companies" is deleted as obsolete. The exemption was based on the payment of a franchise tax by these companies under former Art. 81, § 130 of the Code. Since there are no longer any express, parlor car, or sleeping car companies functioning in the State, no franchise tax is imposed on them. The Department indicated that no franchise tax is imposed on a transportation company. Currently, the only franchise tax being imposed under Art. 81, § 130 of the Code is on public utility companies. In regard to the reference in former § 9(k) to "railroad", Ch. 865, Acts of 1980 deleted the reference to railroad in Art. 81, § 130. As a result of this 1980 amendment, a railroad is no longer subject to the franchise tax. Thus, the railroad could not pay a franchise tax to qualify for the exemption under Art. 81, § 9(k).

Defined terms: "Operating property" § 1-101
"Person" § 1-101 "Property" § 1-101
"Property tax" § 1-101

6-104. STOCK IN BUSINESS OF MANUFACTURING OR COMMERCIAL BUSINESS.

EXCEPT AS OTHERWISE PROVIDED IN §§ 7-222 AND 7-226 OF THIS ARTICLE, ANY STOCK IN BUSINESS OF A PERSON WHO ENGAGES IN A MANUFACTURING OR COMMERCIAL BUSINESS IN THE STATE IS SUBJECT TO PROPERTY TAX.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 8(6), as it related to stock in business as taxable property.

The introductory phrase "[e]xcept as otherwise provided in §§ 7-222 and 7-226 of this article" is substituted for the former reference to "[e]xcept as in §§ 9, 9A, 9B, and 10 provided", for clarity.

The former phrase "firm or corporation" is deleted as included in the defined term "person".

The balance of former Art. 81, § 8(6), which related to where stock in business is deemed permanently located, now appears as § 5-102 of this article.

Defined terms: "Manufacturing" § 1-101
"Person" § 1-101 "Property tax" § 1-101

SUBTITLE 2. IMPOSITION OF TAXES.